



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY, EUROPE, AND SEVENTH ARMY
THE DEPUTY CHIEF OF STAFF, G8
UNIT 29351
APO AE 09014-9351

S: 23 January 2004

AEAGF-C

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 04 Secretary of the Army Productivity Enhancement Program (PEP)

1. Reference memorandum, DACS-ZVD-SMD, dated 26 Nov 03, subject: Secretary of the Army Productivity Enhancement Program (PEP) FY 04 Competition (Encl 1).
2. As good stewards, we are charged with continuously seeking improvements in our organizations. The Productivity Enhancement Program (PEP) can help us pay for the initial "up front" investments necessary to implement our desired changes to achieve economies, efficiencies and improved productivity. Please submit any PEP initiatives electronically to this headquarters by **23 Jan 04** to anthony.paskvan@hq.hqusareur.army.mil. Mr. Tony Paskvan can be reached at DSN 370-6383.
3. Administrative guidance on applying for PEP funding is attached (Encl 2) and is also available in a downloadable version at the PEP website. When multiple submissions are provided, we request that you prioritize your ideas. HQ USAREUR functional proponents will review and comment on all of the proposals and the DCS, G3 will provide the final prioritization of all submissions. Further information on the HQDA PEP is available at:
<http://www.odcsrcm.hqusareur.army.mil/rmmp/PEP/PEP.htm>
4. It has been said that a program without resources is only a suggestion. The Productivity Enhancement Program has resources: in FY 04, there is \$250,000 available for distribution across the Army. I encourage you to take advantage of this opportunity to achieve more efficient Army operations.

Encls

1. HQDA Memorandum
2. Application Guidance

Jeanne M. Karstens
JEANNE M. KARSTENS
Deputy Chief of Staff, G8

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Subject: FY 04 Secretary of the Army Productivity Enhancement Program (PEP)

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DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
200 ARMY PENTAGON
WASHINGTON DC 20310-0200

26 November 2003

Attention of
DACS-ZVD-SMD

S: 27 Feb 04

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Secretary of the Army Productivity Enhancement Program (PEP) FY04 Competition

1. This memo announces the FY04 Productivity Enhancement Program (PEP) competition. The objective of the PEP is to provide funds for organizations to implement good ideas that enhance business process improvements or efficiencies and generate a high return on investment in five years or less.
2. The Secretary of the Army approved the program concept and initial implementation in FY00. The PEP applies to all Army organizations TDA and TOE units except Nonappropriated Fund (NAF) activities. The latter are not eligible to participate unless the proposed investment results in savings of appropriated funds.
3. Investment opportunities may come from many sources such as:
 - a. Completed organizational self-assessments
 - b. Reinvention/reengineering initiatives
 - c. Functional reviews
 - d. State-of-the-art technologies
 - e. Results from benchmarking studies
 - f. Process action team studies
 - g. Unfinanced requirements that meet PEP guidelines
4. The suspense date for the FY04 competition is 27 Feb 04. All PEP proposals are to be submitted via email to leadingchange@hqda.army.mil. The program guidelines are posted on the *Leading Change* web site at <http://www.hqda.army.mil/leadingchange>. Organizations must be prepared to execute funded proposals by 1 Sep 04.
5. The format for submitting PEP proposals is located at the SECARMY PEP link on the Leading Change website. At a minimum, the proposal will include specific administrative data (submitting MACOM, originator and contact number/email), a detailed description of the proposed process/system, and proposed project applicability to other commands. The proposal will require a validated cost analysis that fully



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describes current costs, investment costs, and anticipated savings from implementation. The SECARMY PEP web site will provide step-by-step instructions for proposal input.

6. Major Army commands (MACOMs), Army National Guard, and U.S. Army Reserve will provide a central point of contact (POC) for processing all PEP initiatives for their command. The approval process consists of a review for technical soundness and project prioritization by the Headquarters, Department of the Army functional proponent, and selection of the top projects by an executive board.

7. The POC for the PEP is Ms. Brenda Scott at DSN 332-2760 or (703) 602-2760; email: brenda.scott@hqda.army.mil.


STEVEN K. RANDOL
Deputy Vice Director, Army Staff

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Competition

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CF:

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ASA, FM&C, ATTN: Mr. Rod Bricksin

ASCIM, ATTN: Ms. Christie Smith

ASA, I&E, ATTN: Mr Gary Robinson

ASA, Civil Works, ATTN: LTC (P) Peter Taylor

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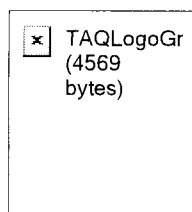
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Deputy Chief of Staff for Logistics, ATTN: Mr. William Oldaker

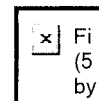
Chief Information Office/G6, ATTN: Ms. Marlu Vance

Office of the Surgeon General, ATTN: COL Gaston Randolph

IMA HQS, SFIM-PL, ATTN: Ms. Beverly Robertson



Leading Change



Download

PEP Submission Format

Application Format (MS word 97)

Application for SECARMY PEP Project approval and funding.

Note: Unless prior arrangements are made with the PEP Program Manager, applications will only be accepted electronically. This format has been provided to assist in assembling the information necessary to complete the online submission for a PEP project. If all the information required by this format is not submitted electronically, in the detail requested, proposed projects will not be considered for approval or funding.

a. Part I. Administrative Data:

- (1) Submitting MACOM
- (2) Submitting MACOM Official
- (3) Originating Office Symbol
- (4) Local Project Point of Contact (POC)
- (5) POC DSN Phone Number
- (6) POC DSN Fax Number
- (7) Date of Submission

b. Part II. Project Description:

- (1) Enter Project Title
- (2) Description of System/Process to be Improved/Replaced (Current System/Process)
- (3) Description of Proposed System/Process (New System/Process)
- (4) Enter applicability of Proposed System/Process to other Army Organizations
- (5) Appropriation Type

c. Part III. Cost Summary (Use Current-Year Dollars Throughout)

(1) Current System/Process
 (a) Describe Scope/Composition of Annual "Operating Costs". Specify in sufficient detail for *all* contributing cost elements to be visible, verifiable, and auditable. Describe the rationale/basis for the estimated current annual operating costs and show calculations.

(b) Enter Estimated Annual Operating Costs (Current-Year Dollars) - See Figure 1 to enter figures.

(2) Proposed System/Process

(a) Describe total one-time investment and implementation costs for the project. Specify the composition of the requested amount – e.g. equipment purchase or investment cost, and the implementation costs such as equipment installation cost and initial training for equipment use. Describe the rationale/basis for the one-time investment and

ENCL 2

implementation costs for the project and show your calculation. Project investment and implementation costs are considered one-time costs even if expended in multiple years.

(b) Enter appropriation type.

(c) Enter one-time investment and implementations costs for project. (Current-Year Dollars)–See Figure 1 to enter amounts.

(d) Describe Scope/Composition of the Proposed Annual "Operating Costs". Specify in sufficient detail for *all* contributing cost elements to be visible, verifiable, and auditable. Describe the rationale/basis for the new System/Process estimated annual operating costs and show your calculations.

(e) Enter Proposed Annual Operating Costs (Current-Year Dollars) - See Figure 1 to enter amount.

(3) Project Costs and Savings (Current -Year Dollars) See Figure 1 to enter amount.

(4) Project Roll-up (Figure 1) – Figure 1 provides a summation of the project figures. A calculation of columns B+C=D will provide the total project costs and A-D= E provides the project savings.

	A	B	C	D	
Year	Current Operating Cost	One-Time Costs	Proposed Operating Costs	Total Project Costs	Savings
1					
2					
3					
4					
5					
6					

Figure 1

(5) Other Project Information

(a) Enter if Project's Benefits are Cost Savings () or Cost Avoidance () or Both

()

(b) Enter Project's projected operational date

(c) Enter Project's Anticipated Payback Period (Years and/or fractions)

(d) Enter Project's Anticipated Useful Life (Years and/or fractions)

(e) Enter Project's Non-quantifiable or Intangible Benefits

(6) Enter any other information you feel would be useful in the evaluation of this proposed project.

Send comments to: leadingchange@hqda.army.mil

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